

# SENATE JOURNAL

## STATE OF ILLINOIS

### NINETY-FOURTH GENERAL ASSEMBLY

### 111TH LEGISLATIVE DAY

WEDNESDAY, NOVEMBER 15, 2006

12:43 O'CLOCK P.M.

#### SENATE **Daily Journal Index** 111th Legislative Day

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The Senate met pursuant to adjournment.

Honorable Emil Jones, Jr., President of the Senate, presiding.

Prayer by Father Anthony Tzortzis, St. Anthony's Hellenic Orthodox Church, Springfield, Illinois. Senator Maloney led the Senate in the Pledge of Allegiance.

The Journal of Tuesday, November 14, 2006, was being read when on motion of Senator Hunter, further reading of same was dispensed with, and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

#### LEGISLATIVE MEASURES FILED

The following Floor amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Floor Amendment No. 1 to Senate Bill 628

Senate Floor Amendment No. 2 to Senate Bill 628

Senate Floor Amendment No. 2 to Senate Bill 836

Senate Floor Amendment No. 1 to Senate Bill 862

Senate Floor Amendment No. 1 to Senate Bill 863

Senate Floor Amendment No. 1 to Senate Bill 947

Senate Floor Amendment No. 1 to Senate Bill 948 Senate Floor Amendment No. 1 to Senate Bill 1195

Senate Floor Amendment No. 1 to Senate Bill 1269

#### MESSAGE FROM THE PRESIDENT

## OFFICE OF THE SENATE PRESIDENT STATE OF ILLINOIS

EMIL JONES, JR. SENATE PRESIDENT 327 STATE CAPITOL Springfield, Illinois 62706

November 15, 2006

Ms. Linda Hawker Secretary of the Senate Room 403 State House Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Rule 3-5(c), I hereby appoint Senator Rickey Hendon to resume his position on the Senate Rules committee. This appointment is effectively immediately.

Sincerely, s/Emil Jones, Jr. Senate President

cc: Senate Minority Leader Frank Watson

#### REPORTS FROM RULES COMMITTEE

Senator Viverito, Chairperson of the Committee on Rules, during its November 15, 2006 meeting, reported the following Senate Resolutions have been assigned to the indicated Standing Committees of the Senate:

Education: Senate Joint Resolution No. 94.

State Government: Senate Joint Resolutions Numbered 92 and 95; House Joint Resolution No. 129; Senate Resolutions Numbered 748, 877 and 878.

Senator Viverito, Chairperson of the Committee on Rules, during its November 15, 2006 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Pensions & Investments: SENATE BILL 2749.

Senator Viverito, Chairperson of the Committee on Rules, to which was referred **Senate Bill No. 836** on June 4, 2006, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And Senate Bill No. 836 was returned to the order of third reading.

Senator Viverito, Chairperson of the Committee on Rules, to which was referred **Senate Bills Numbered 628, 862, 863, 947, 948, 1195, 1269 and 1537** on July 1, 2005, pursuant to Rule 3-9(b), reported that the Committee recommends that the bills be approved for consideration and returned to the calendar in their former position.

The report of the Committee was concurred in.

And Senate Bills Numbered 628, 862, 863, 947, 948, 1195, 1269 and 1537 were returned to the order of first reading.

Senator Viverito, Chairperson of the Committee on Rules, to which was referred **House Bills numbered 4804**, **4895 and 5475**, reported the same back with the recommendation that the bills be placed on the order of second reading without recommendation to committee.

Senator Viverito, Chairperson of the Committee on Rules, reported that the following Legislative Measure has been approved for consideration:

Motion to Accept Specific Recommendations for Change to Senate Bill 830

Senator Viverito, Chairperson of the Committee on Rules, during its November 15, 2006 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Education: Senate Floor Amendment No. 1 to Senate Bill 862; Senate Floor Amendment No. 1 to Senate Bill 863.

Executive: Senate Floor Amendment No. 1 to Senate Bill 947; Senate Floor Amendment No. 1 to Senate Bill 948.

Judiciary: Senate Floor Amendment No. 1 to Senate Bill 1195.

Labor: Senate Floor Amendment No. 1 to Senate Bill 1269.

Revenue: Senate Floor Amendment No. 2 to Senate Bill 836.

State Government: Senate Floor Amendment No. 1 to Senate Bill 628.

At the hour of 12:51 o'clock p.m., Senator Halvorson presiding.

## CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Link, **Senate Bill No. 611**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 45; Nays 12.

The following voted in the affirmative:

Althoff Forby Maloney Axlev Garrett Martinez Clayborne Haine Meeks Collins Halvorson Millner Cronin Harmon Munoz Radogno Crotty Hendon Cullerton Hunter Raoul Dahl Righter Jacobs del Valle Jones, W. Risinger DeLeo Lightford Ronen Demuzio Link Sandoval Dillard Luechtefeld Schoenberg

The following voted in the negative:

BomkeLauzenRauschenbergerBradyPankauRutherfordBurzynskiPetersonSyversonJones, J.PetkaWinkel

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to Senate Bill No. 611.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 2185**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff Forby Martinez Schoenberg Axley Garrett Meeks Shadid Bomke Haine Millner Sieben Brady Halvorson Munoz Silverstein Pankau Burzvnski Harmon Sullivan Clayborne Hendon Peterson Syverson

Shadid

Sieben

Sullivan

Trotter

Viverito

Watson

Wilhelmi

Mr. President

Silverstein

Collins Hunter Petka Trotter Cronin Viverito Jacobs Radogno Crotty Jones, J. Raoul Watson Cullerton Jones, W. Rauschenberger Wilhelmi Dahl Winkel Lauzen Righter del Valle Mr. President Lightford Risinger DeLeo Link Ronen Demuzio Luechtefeld Rutherford

The motion prevailed.

Dillard

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 2185.

Sandoval

Ordered that the Secretary inform the House of Representatives thereof.

Maloney

On motion of Senator Crotty, **Senate Bill No. 2664**, with House Amendment No. 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Crotty moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 54; Nays 3.

The following voted in the affirmative:

Althoff Martinez Forby Schoenberg Axlev Garrett Meeks Shadid Bomke Haine Millner Sieben Brady Halvorson Munoz Silverstein Burzynski Harmon Pankau Sullivan Clayborne Hendon Peterson Syverson Collins Trotter Hunter Petka Cronin Jacobs Radogno Viverito Crotty Jones, J. Raoul Watson Cullerton Righter Wilhelmi Jones, W. del Valle Risinger Winkel Lightford DeLeo Link Ronen Mr. President Demuzio Luechtefeld Rutherford Dillard Sandoval Maloney

The following voted in the negative:

Dahl

Lauzen

Rauschenberger

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 5 to Senate Bill No. 2664.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hunter, **Senate Bill No. 2762**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hunter moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff Martinez Shadid Forby Sieben Axlev Garrett Meeks Bomke Haine Millner Silverstein Brady Halvorson Munoz Sullivan Pankau Burzynski Harmon Syverson Clayborne Peterson Hendon Trotter Collins Hunter Petka Viverito Cronin Jacobs Radogno Watson Crottv Jones, J. Raoul Wilhelmi Rauschenberger Cullerton Jones, W. Winkel Dahl Righter Mr. President Lauzen del Valle Lightford Risinger DeLeo Link Ronen Demuzio Luechtefeld Rutherford Dillard Maloney Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to Senate Bill No. 2762.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Peterson, **Senate Bill No. 2772**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Peterson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Navs None.

The following voted in the affirmative:

Althoff Forby Martinez Schoenberg Axlev Garrett Meeks Shadid Bomke Haine Millner Sieben Brady Halvorson Munoz Silverstein Burzynski Harmon Pankau Sullivan Clayborne Hendon Peterson Syverson Collins Hunter Petka Trotter Cronin Viverito Jacobs Radogno Crotty Jones, J. Raoul Watson Cullerton Rauschenberger Wilhelmi Jones, W. Dahl Lauzen Righter Winkel del Valle Lightford Risinger Mr. President DeLeo Link Ronen Demuzio Luechtefeld Rutherford Dillard Maloney Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 2772.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator del Valle, **Senate Bill No. 2796**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator del Valle moved that the Senate concur with the House in the adoption of their amendments to said bill.

Schoenberg

Silverstein

Sullivan

Syverson

Trotter

Viverito

Winkel

Wilhelmi

Mr. President

Shadid

Sieben

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Navs None.

The following voted in the affirmative:

Althoff Forby Martinez Axlev Garrett Meeks Bomke Haine Millner Munoz Bradv Halvorson Burzynski Harmon Pankau Clayborne Hendon Peterson Collins Hunter Petka Cronin Jacobs Radogno Crotty Jones, J. Raoul Cullerton Jones, W. Rauschenberger Dahl Lauzen Righter del Valle Lightford Risinger DeLeo Link Ronen Demuzio Luechtefeld Rutherford Dillard Sandoval Maloney

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to Senate Bill No. 2796.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 3088**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff Forby Martinez Schoenberg Axlev Garrett Meeks Shadid Bomke Haine Millner Sieben Bradv Halvorson Munoz Silverstein Burzynski Harmon Pankau Sullivan Clayborne Hendon Peterson Syverson Collins Hunter Petka Trotter Cronin Viverito Jacobs Radogno Crotty Jones, J. Raoul Watson Cullerton Jones, W. Rauschenberger Wilhelmi Dahl Lauzen Righter Winkel del Valle Lightford Risinger Mr. President DeLeo Link Ronen Demuzio Luechtefeld Rutherford Dillard Maloney Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 3088.

Ordered that the Secretary inform the House of Representatives thereof.

#### SENATE BILL RECALLED

On motion of Senator Lightford, **Senate Bill No. 1275** was recalled from the order of third reading to the order of second reading.

Senator Lightford offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO SENATE BILL 1275

AMENDMENT NO. <u>1</u>. Amend Senate Bill 1275 by replacing everything after the enacting clause with the following:

"Section 5. The Minimum Wage Law is amended by changing Section 4 as follows: (820 ILCS 105/4) (from Ch. 48, par. 1004)

Sec. 4. (a) Every employer shall pay to each of his employees in every occupation wages of not less than \$2.30 per hour or in the case of employees under 18 years of age wages of not less than \$1.95 per hour, except as provided in Sections 5 and 6 of this Act, and on and after January 1, 1984, every employer shall pay to each of his employees in every occupation wages of not less than \$2.65 per hour or in the case of employees under 18 years of age wages of not less than \$2.25 per hour, and on and after October 1, 1984 every employer shall pay to each of his employees in every occupation wages of not less than \$3.00 per hour or in the case of employees under 18 years of age wages of not less than \$2.55 per hour, and on or after July 1, 1985 every employer shall pay to each of his employees in every occupation wages of not less than \$3.35 per hour or in the case of employees under 18 years of age wages of not less than \$2.85 per hour, and from January 1, 2004 through December 31, 2004 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$5.50 per hour, and from on and after January 1, 2005 through June 30, 2007 every employer shall pay to each of his or her employees who is 18 years of age or older in every occupation wages of not less than \$6.50 per hour, and from July 1, 2007 through December 31, 2007 every employer shall pay to each of his or her employees in every occupation wages of not less than \$7.50 per hour.

Beginning on January 1, 2008, every employer shall pay each of his or her employees at a rate of not less than the then-current adjusted minimum wage rate established under this subsection (a) or the federal minimum hourly wage prescribed by Section 206(a)(1) of Title 29 of the United States Code, whichever is higher.

On September 30, 2007, and on each following September 30th, the Department of Labor shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the then-current minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest 5-cent increment using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the 12 months prior to September 1st of the then-current year as calculated by the United States Department of Labor. Each adjusted minimum wage rate calculated under this subsection (a) takes effect on the following January 1st, with the first adjusted minimum wage rate to take effect on January 1, 2008.

At no time shall the wages paid to any employee under 18 years of age be more than 50¢ less than the wage required to be paid to employees who are at least 18 years of age.

- (b) No employer shall discriminate between employees on the basis of sex or mental or physical handicap, except as otherwise provided in this Act by paying wages to employees at a rate less than the rate at which he pays wages to employees for the same or substantially similar work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made pursuant to (1) a seniority system; (2) a merit system; (3) a system which measures earnings by quantity or quality of production; or (4) a differential based on any other factor other than sex or mental or physical handicap, except as otherwise provided in this Act.
- (c) Every employer of an employee engaged in an occupation in which gratuities have customarily and usually constituted and have been recognized as part of the remuneration for hire purposes is entitled to an allowance for gratuities as part of the hourly wage rate provided in Section 4, subsection (a) in an amount not to exceed 40% of the applicable minimum wage rate. The Director shall require each

employer desiring an allowance for gratuities to provide substantial evidence that the amount claimed, which may not exceed 40% of the applicable minimum wage rate, was received by the employee in the period for which the claim of exemption is made, and no part thereof was returned to the employer.

- (d) No camp counselor who resides on the premises of a seasonal camp of an organized not-for-profit corporation shall be subject to the adult minimum wage if the camp counselor (1) works 40 or more hours per week, and (2) receives a total weekly salary of not less than the adult minimum wage for a 40-hour week. If the counselor works less than 40 hours per week, the counselor shall be paid the minimum hourly wage for each hour worked. Every employer of a camp counselor under this subsection is entitled to an allowance for meals and lodging as part of the hourly wage rate provided in Section 4, subsection (a), in an amount not to exceed 25% of the minimum wage rate.
- (e) A camp counselor employed at a day camp of an organized not-for-profit corporation is not subject to the adult minimum wage if the camp counselor is paid a stipend on a onetime or periodic basis and, if the camp counselor is a minor, the minor's parent, guardian or other custodian has consented in writing to the terms of payment before the commencement of such employment. (Source: P.A. 93-581, eff. 1-1-04.)

Section 99. Effective date. This Act takes effect July 1, 2007.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

#### READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Lightford, **Senate Bill No. 1275**, having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Silverstein Sullivan Trotter Viverito Wilhelmi Mr. President

Yeas 33; Nays 21; Present 3.

The following voted in the affirmative:

Clayborne Haine Martinez Collins Halvorson Meeks	
G II	
Crotty Harmon Munoz	
Cullerton Hendon Raoul	
del Valle Hunter Ronen	
DeLeo Jacobs Sandoval	
Demuzio Lightford Schoenbe	rg
Forby Link Shadid	

The following voted in the negative:

Althoff	Jones, W.	Radogno	Syverson
Bomke	Lauzen	Rauschenberger	Watson
Brady	Luechtefeld	Righter	Winkel
Burzynski	Pankau	Risinger	
Dahl	Peterson	Rutherford	
Jones J	Petka	Siehen	

The following voted present:

Cronin Dillard Millner

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

#### COMMITTEE MEETING ANNOUNCEMENTS

Senator Lightford, Chairperson of the Committee on Education, announced that the Education Committee will meet today in Room 212, at 3:30 o'clock p.m.

Senator Cullerton, Co-Chairperson of the Committee on Judiciary, announced that the Judiciary Committee will meet today in Room 212, at 3:45 o'clock p.m.

Senator Silverstein, Chairperson of the Committee on Executive, announced that the Executive Committee will meet today in Room 212, at 4:00 o'clock p.m.

Senator Garrett, Chairperson of the Committee on State Government, announced that the State Government Committee will meet today in Room A-1 Stratton Building, at 4:00 o'clock p.m.

Senator Forby, Chairperson of the Committee on Labor, announced that the Labor Committee will meet today in Room 400, at 4:15 o'clock p.m.

Senator Harmon, Chairperson of the Committee on Revenue, announced that the Revenue Committee will meet today in Room 400, at 4:00 o'clock p.m.

#### CONSIDERATION OF GOVERNOR'S VETO MESSAGES

Pursuant to the Motion in Writing filed on Tuesday, November 14, 2006 and journalized Tuesday, November 14, 2006, Senator Silverstein moved that **Senate Bill No. 185** do pass, the veto of the Governor to the contrary notwithstanding.

And on that motion, a call of the roll was had resulting as follows:

Yeas 51; Nays 5.

The following voted in the affirmative:

Althoff	Forby	Maloney	Ronen
Axley	Garrett	Martinez	Rutherford
Brady	Haine	Meeks	Sandoval
Burzynski	Halvorson	Millner	Schoenberg
Clayborne	Harmon	Munoz	Shadid
Collins	Hendon	Pankau	Sieben
Cronin	Hunter	Peterson	Silverstein
Crotty	Jacobs	Petka	Syverson
Cullerton	Jones, W.	Radogno	Trotter
Dahl	Lauzen	Raoul	Viverito
del Valle	Lightford	Rauschenberger	Watson
DeLeo	Link	Righter	Mr. President
Dillard	Luechtefeld	Risinger	

The following voted in the negative:

Bomke Jones, J. Winkel Demuzio Wilhelmi This bill, having received the vote of three-fifths of the members elected, was declared passed, the veto of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein

Pursuant to the Motion in Writing filed on Tuesday, November 14, 2006 and journalized Tuesday, November 14, 2006, Senator Sandoval moved that **Senate Bill No. 2255** do pass, the veto of the Governor to the contrary notwithstanding.

And on that motion, a call of the roll was had resulting as follows:

Yeas 54; Nays 2.

The following voted in the affirmative:

Althoff Forby Axlev Garrett Bomke Haine Brady Halvorson Burzynski Harmon Clayborne Hendon Collins Hunter Cronin Jacobs Crotty Jones, J. Cullerton Jones, W. Dahl Lauzen del Valle Lightford DeLeo Link Dillard Luechtefeld

Martinez
Meeks
Millner
Munoz
Pankau
Peterson
Petka
Radogno
Raoul
Rauschenberger
Righter
Risinger
Ronen

Maloney

Rutherford Sandoval Schoenberg Shadid Sieben Silverstein Sullivan Syverson Trotter Viverito Winkel Mr. President

The following voted in the negative:

Demuzio Wilhelmi

This bill, having received the vote of three-fifths of the members elected, was declared passed, the veto of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Pursuant to the Motion in Writing filed on Tuesday, November 14, 2006 and journalized Tuesday, November 14, 2006, Senator Shadid moved that **Senate Bill No. 2477** do pass, the specific recommendations of the Governor to the contrary notwithstanding.

And on that motion, a call of the roll was had resulting as follows:

Yeas 45; Nays 11; Present 1.

The following voted in the affirmative:

Althoff Dillard Maloney Sieben Axley Forby Martinez Silverstein Brady Garrett Meeks Sullivan Clayborne Haine Millner Trotter Collins Halvorson Munoz Viverito Cronin Harmon Radogno Watson Crotty Hendon Raoul Wilhelmi Cullerton Hunter Risinger Winkel Dahl Jacobs Ronen Mr. President

del ValleJones, W.SandovalDeLeoLightfordSchoenbergDemuzioLinkShadid

The following voted in the negative:

Burzynski Luechtefeld Petka Rutherford Jones, J. Pankau Rauschenberger Syverson

Lauzen Peterson Righter

The following voted present:

#### Bomke

This bill, having received the vote of three-fifths of the members elected, was declared passed, the specific recommendations of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Pursuant to the Motion in Writing filed on Tuesday, November 14, 2006 and journalized Tuesday, November 14, 2006, Senator Crotty moved to accept the Governor's specific recommendations for change to **Senate Bill No. 830**.

And on that motion, a call of the roll was had resulting as follows:

Yeas 53; Nays None.

The following voted in the affirmative:

Althoff Forby Martinez Shadid Garrett Meeks Sieben Axlev Bomke Haine Millner Silverstein Brady Halvorson Munoz Sullivan Clayborne Harmon Pankau Syverson Collins Hendon Peterson Trotter Cronin Hunter Petka Viverito Crotty Radogno Watson Jacobs Cullerton Jones, J. Righter Wilhelmi Dahl Jones, W. Risinger Winkel del Valle Lightford Mr. President Ronen Rutherford DeLeo Link Demuzio Luechtefeld Sandoval Dillard Maloney Schoenberg

The motion prevailed.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Burzynski asked and obtained unanimous consent for a Republican Caucus to begin at 4:30 o'clock p.m.

#### MOTION IN WRITING

Senator Dillard submitted the following Motion in Writing:

#### MOTION

I move that Senate Bill No. 2555 do pass, notwithstanding the veto of the Governor.

DATE: 11-15-06 s/Kirk Dillard SENATOR

The foregoing Motion in Writing was filed with the Secretary and placed on the Senate Calendar.

#### MESSAGE FROM THE HOUSE

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2917

A bill for AN ACT concerning insurance.

SENATE BILL NO. 2917

A bill for AN ACT concerning insurance.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2917

Passed the House, as amended, November 14, 2006.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 2917

AMENDMENT NO. 1. Amend Senate Bill 2917 by replacing everything after the enacting clause with the following:

"Section 5. The Regulatory Sunset Act is amended by changing Section 4.17 and by adding Section 4.27 as follows:

(5 ILCS 80/4.17)

Sec. 4.17. Acts repealed on January 1, 2007. The following are repealed on January 1, 2007:

The Boiler and Pressure Vessel Repairer Regulation Act.

The Structural Pest Control Act.

Articles II, III, IV, V, V 1/2, VI, VIIA, VIIB, VIIC, XVII, XXXI, XXXI 1/4, and XXXI 3/4 of the Illinois Insurance Code.

The Clinical Psychologist Licensing Act.

The Illinois Optometric Practice Act of 1987.

The Medical Practice Act of 1987.

The Environmental Health Practitioner Licensing Act.

(Source: P.A. 92-837, eff. 8-22-02.)

(5 ILCS 80/4.27 new)

Sec. 4.27. Act repealed on January 1, 2017. The following are repealed on January 1, 2017:

Articles II, III, IV, V, V 1/2, VI, VIIA, VIIB, VIIC, XVII, XXXI, XXXI 1/4, and XXXI 3/4 of the Illinois Insurance Code.

Section 10. The Illinois Insurance Code is amended by changing Section 229.4a and by adding Section 356z.8 as follows:

(215 ILCS 5/229.4a)

(Section scheduled to be repealed on July 1, 2007)

Sec. 229.4a. Standard Non-forfeiture Law for Individual Deferred Annuities.

- (1) Title. This Section shall be known as the Standard Nonforfeiture Law for Individual Deferred Annuities.
- (2) Applicability. This Section shall not apply to any reinsurance, group annuity purchased under a retirement plan or plan of deferred compensation established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended, premium deposit fund, variable annuity,

investment annuity, immediate annuity, any deferred annuity contract after annuity payments have commenced, or reversionary annuity, nor to any contract which shall be delivered outside this State through an agent or other representative of the company issuing the contract.

- (3) Nonforfeiture Requirements.
- (A) In the case of contracts issued on or after the operative date of this Section as defined in subsection (13), no contract of annuity, except as stated in subsection (2), shall be delivered or issued for delivery in this State unless it contains in substance the following provisions, or corresponding provisions which in the opinion of the Director of Insurance are at least as favorable to the contract holder, upon cessation of payment of considerations under the contract:
  - (i) That upon cessation of payment of considerations under a contract, or upon the written request of the contract owner, the company shall grant a paid-up annuity benefit on a plan stipulated in the contract of such value as is specified in subsections (5), (6), (7), (8) and (10);
  - (ii) If a contract provides for a lump sum settlement at maturity, or at any other time, that upon surrender of the contract at or prior to the commencement of any annuity payments, the company shall pay in lieu of a paid-up annuity benefit a cash surrender benefit of such amount as is specified in subsections (5), (6), (8) and (10). The company may reserve the right to defer the payment of the cash surrender benefit for a period not to exceed 6 months after demand therefor with surrender of the contract after making written request and receiving written approval of the Director. The request shall address the necessity and equitability to all policyholders of the deferral;
  - (iii) A statement of the mortality table, if any, and interest rates used calculating any minimum paid-up annuity, cash surrender, or death benefits that are guaranteed under the contract, together with sufficient information to determine the amounts of the benefits; and
  - (iv) A statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which the benefits are altered by the existence of any additional amounts credited by the company to the contract, any indebtedness to the company on the contract or any prior withdrawals from or partial surrenders of the contract
- (B) Notwithstanding the requirements of this Section, a deferred annuity contract may provide that if no considerations have been received under a contract for a period of 2 full years and the portion of the paid-up annuity benefit at maturity on the plan stipulated in the contract arising from prior considerations paid would be less than \$20 monthly, the company may at its option terminate the contract by payment in cash of the then present value of the portion of the paid-up annuity benefit, calculated on the basis on the mortality table, if any, and interest rate specified in the contract for determining the paid-up annuity benefit, and by this payment shall be relieved of any further obligation under the contract.
- (4) Minimum values. The minimum values as specified in subsections (5), (6), (7), (8) and (10) of any paid-up annuity, cash surrender or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this subsection.
  - (A)(i) The minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at rates of interest as indicated in subdivision (4)(B) of the net considerations (as hereinafter defined) paid prior to such time, decreased by the sum of paragraphs (a) through (d) below:
    - (a) Any prior withdrawals from or partial surrenders of the contract accumulated at rates of interest as indicated in subdivision (4)(B);
    - (b) An annual contract charge of \$50, accumulated at rates of interest as indicated in subdivision (4)(B);
    - (c) Any premium tax paid by the company for the contract, accumulated at rates of interest as indicated in subdivision (4)(B); and
    - (d) The amount of any indebtedness to the company on the contract, including interest due and accrued.
  - (ii) The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount equal to 87.5% of the gross considerations, credited to the contract during that contract year.
  - (B) The interest rate used in determining minimum nonforfeiture amounts shall be an annual rate of interest determined as the lesser of 3% per annum and the following, which shall be specified in the contract if the interest rate will be reset:
    - (i) The five-year Constant Maturity Treasury Rate reported by the Federal Reserve as

of a date, or average over a period, rounded to the nearest 1/20th of one percent, specified in the contract no longer than 15 months prior to the contract issue date or redetermination date under subdivision (4)(B)(iv):

- (ii) Reduced by 125 basis points;
- (iii) Where the resulting interest rate is not less than 1%; and
- (iv) The interest rate shall apply for an initial period and may be redetermined for additional periods. The redetermination date, basis and period, if any, shall be stated in the contract. The basis is the date or average over a specified period that produces the value of the 5-year Constant Maturity Treasury Rate to be used at each redetermination date.
- (C) During the period or term that a contract provides substantive participation in an equity indexed benefit, it may increase the reduction described in subdivision (4)(B)(ii) above by up to an additional 100 basis points to reflect the value of the equity index benefit. The present value at the contract issue date, and at each redetermination date thereafter, of the additional reduction shall not exceed market value of the benefit. The Director may require a demonstration that the present value of the additional reduction does not exceed the market value of the benefit. Lacking such a demonstration that is acceptable to the Director, the Director may disallow or limit the additional reduction
- (D) The Director may adopt rules to implement the provisions of subdivision (4)(C) and to provide for further adjustments to the calculation of minimum nonforfeiture amounts for contracts that provide substantive participation in an equity index benefit and for other contracts that the Director determines adjustments are justified.
- (5) Computation of Present Value. Any paid-up annuity benefit available under a contract shall be such that its present value on the date annuity payments are to commence is at least equal to the minimum nonforfeiture amount on that date. Present value shall be computed using the mortality table, if any, and the interest rates specified in the contract for determining the minimum paid-up annuity benefits guaranteed in the contract.
- (6) Calculation of Cash Surrender Value. For contracts that provide cash surrender benefits, the cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit that would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender reduced by the amount appropriate to reflect any prior withdrawals from or partial surrenders of the contract, such present value being calculated on the basis of an interest rate not more than 1% higher than the interest rate specified in the contract for accumulating the net considerations to determine maturity value, decreased by the amount of any indebtedness to the company on the contract, including interest due and accrued, and increased by any existing additional amounts credited by the company to the contract. In no event shall any cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefit under such contracts shall be at least equal to the cash surrender benefit.
- (7) Calculation of Paid-up Annuity Benefits. For contracts that do not provide cash surrender benefits, the present value of any paid-up annuity benefit available as a nonforfeiture option at any time prior to maturity shall not be less than the present value of that portion of the maturity value of the paid-up annuity benefit provided under the contract arising from considerations paid prior to the time the contract is surrendered in exchange for, or changed to, a deferred paid-up annuity, such present value being calculated for the period prior to the maturity date on the basis of the interest rate specified in the contract for accumulating the net considerations to determine maturity value, and increased by any additional amounts credited by the company to the contract. For contracts that do not provide any death benefits prior to the commencement of any annuity payments, present values shall be calculated on the basis of such interest rate and the mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit. However, in no event shall the present value of a paid-up annuity benefit be less than the minimum nonforfeiture amount at that time.
- (8) Maturity Date. For the purpose of determining the benefits calculated under subsections
- (6) and (7), in the case of annuity contracts under which an election may be made to have annuity payments commence at optional maturity dates, the maturity date shall be deemed to be the latest date for which election shall be permitted by the contract, but shall not be deemed to be later than the anniversary of the contract next following the annuitant's seventieth birthday or the tenth anniversary of the contract, whichever is later.
- (9) Disclosure of Limited Death Benefits. A contract that does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount prior to the commencement of any annuity payments shall include a statement in a prominent place in the

contract that such benefits are not provided.

- (10) Inclusion of Lapse of Time Considerations. Any paid-up annuity, cash surrender or death benefits available at any time, other than on the contract anniversary under any contract with fixed scheduled considerations, shall be calculated with allowance for the lapse of time and the payment of any scheduled considerations beyond the beginning of the contract year in which cessation of payment of considerations under the contract occurs.
- (11) Proration of Values; Additional Benefits. For a contract which provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefits shall be equal to the sum of the minimum nonforfeiture benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the life insurance portion computed as if each portion were a separate contract. Notwithstanding the provisions of subsections (5), (6), (7), (8) and (10), additional benefits payable in the event of total and permanent disability, as reversionary annuity or deferred reversionary annuity benefits, or as other policy benefits additional to life insurance, endowment and annuity benefits, and considerations for all such additional benefits, shall be disregarded in ascertaining the minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits separately would require minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits
- (12) Rules. The Director may adopt rules to implement the provisions of this Section.
- (13) Effective Date. After the effective date of this amendatory Act of the 93rd General Assembly, a company may elect to apply its provisions to annuity contracts on a contract form-by-contract form basis before July 1, 2006. In all other instances, this Section shall become operative with respect to annuity contracts issued by the company on or after July 1, 2006.
- (14) (Blank) This Section is repealed on July 1, 2007.

(Source: P.A. 93-873, eff. 8-6-04.)

(215 ILCS 5/356z.8 new)

Sec. 356z.8. Multiple sclerosis preventative physical therapy. A group or individual policy of accident and health insurance or managed care plan amended, delivered, issued, or renewed after the effective date of this amendatory. Act of the 94th General Assembly must provide coverage for medically necessary preventative physical therapy for insureds diagnosed with multiple sclerosis. For the purposes of this Section, "preventative physical therapy" means physical therapy that is prescribed by a physician licensed to practice medicine in all of its branches for the purpose of treating parts of the body affected by multiple sclerosis, but only where the physical therapy includes reasonably defined goals, including but not limited to, sustaining the level of function the person has achieved, with periodic evaluation of the efficacy of the physical therapy against those goals. The coverage required under this Section shall be subject to the same deductible, coinsurance, waiting period, cost sharing limitation, treatment limitation, calendar year maximum, or other limitations as provided for other physical or rehabilitative therapy benefits covered by the policy.

Section 15. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

- (a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.
- (b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":
  - (1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;
  - (2) a corporation organized under the laws of this State; or
  - (3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same

requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

- (c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,
  - (1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;
  - (2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;
    - (3) the Director shall have the power to require the following information:
      - (A) certification by an independent actuary of the adequacy of the reserves of the

Health Maintenance Organization sought to be acquired;

- (B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;
- (C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and
  - (D) such other information as the Director shall require.
- (d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).
- (e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.
- (f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:
  - (i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and
  - (ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

may be calculated taking into account the refund period and the immediately preceding 2 plan years.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section. (Source: P.A. 92-764, eff. 1-1-03; 93-102, eff. 1-1-04; 93-261, eff. 1-1-04; 93-477, eff. 8-8-03; 93-529,

eff. 8-14-03; 93-853, eff. 1-1-05; 93-1000, eff. 1-1-05; revised 10-14-04.)

Section 20. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows: (215 ILCS 165/10) (from Ch. 32, par. 604)

Sec. 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 140, 143, 143c, 149, 155.37, 354, 355.2, 356r, 356t, 356u, 356w, 356w, 356w, 356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of Section 367 of the Illinois Insurance Code. (Source: P.A. 92-130, eff. 7-20-01; 92-440, eff. 8-17-01; 92-651, eff. 7-11-02; 92-764, eff. 1-1-03; 93-102, eff. 1-1-04; 93-529, eff. 8-14-03; 93-853, eff. 1-1-05; 93-1000, eff. 1-1-05; revised 10-14-04.)

Section 99. Effective date. This Act takes effect upon becoming law.".

Under the rules, the foregoing **Senate Bill No. 2917**, with House Amendment No. 1, was referred to the Secretary's Desk.

#### JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 2917

At the hour of 2:48 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### AFTER RECESS

At the hour of 5:11 o'clock p.m., the Senate resumed consideration of business. Senator Halvorson, presiding.

#### REPORTS FROM STANDING COMMITTEES

Senator Lightford, Chairperson of the Committee on Education, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 862 Senate Amendment No. 1 to Senate Bill 863

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Cullerton and Senator Dillard, Co-Chairpersons of the Committee on Judiciary, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 1195

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Silverstein, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 947 Senate Amendment No. 1 to Senate Bill 948 Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Garrett, Chairperson of the Committee on State Government, to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Senate Amendment No. 1 to Senate Bill 628

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Forby, Chairperson of the Committee on Labor, to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Senate Amendment No. 1 to Senate Bill 1269

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

#### PRESENTATION OF RESOLUTIONS

#### **SENATE RESOLUTION 879**

Offered by Senator Petka and all Senators:

Mourns the death of U. S. Marine Corps Lance Corporal Edwardo Lopez, Jr.

#### **SENATE RESOLUTION 880**

Offered by Senator Dillard and all Senators:

Mourns the death of Mary Shirley Baumann of Naperville.

#### SENATE RESOLUTION 881

Offered by Senator Axley and all Senators:

Mourns the death of Richard Mervyn "Dick" Hall of Arlington Heights.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

At the hour of 5:12 o'clock p.m., the Chair announced that the Senate stand adjourned until Thursday, November 16, 2006, at 10:00 o'clock a.m.